

**From:** Kevin Werbach  
**To:** rm8775  
**Date:** 5/15/96 4:57pm

DOCKET FILE COPY ORIGINAL

**Subject:** Chairman's Column Comments  
**Sent:** 05/08 8:54 AM  
**Received:** 05/08 2:18 AM  
**From:** mbowin@ips.com  
**To:** ssegal@fcc.gov

RECEIVED

MAY 15 1996

Matthew Peter Bowin (mbowin@ips.com) writes:

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

May 7, 1996

To: The Federal Communications Commission, Room 8755.

>From: President & CEO of Interactive Products & Services, Inc

The following is an informal comment to ACTA=BCs petition for =  
Declaratory ruling, Special Relief, and Institution of Rulemaking = against, VocalTec, Inc., et al. I am not an  
attorney, and will = therefore not be addressing the specific legal aspects of the petition. =  
My comment focuses on the particular aspects of the petition that = address or fail to address the consumer  
interest, technological = advancement, and competitive benefits provided in the new voice = compression algorithms  
that are at the core of new internet phone = technology.

I think it is fair to say that every consumer benefits from lower = costs of long distance telephone service. I  
can=BCt think of one = consumer who is content with the high cost of long distance telephone = service, and the  
consumer is counting on this Commission to foster the = technologies that reduce these costs and frustrate the  
entrenched = interests that want to keep long distance rates from falling. As a = businessperson in a innovative  
high-tech corporation, I am angered that = there are some businesses that want to use this Commission as a crutch  
= to buffer their failed efforts to compete in a technological age. And = to do so at the expense of the consumer is  
simply outrageous.

I know when our business has faced challenges and changes in the = technological landscape, we have  
done our best to adapt to, and even = profit from such change. In fact, it was a long held view by some that = voice  
based Internet communications would put us out of business since = we are a maker of a novel wireless text entry  
device for Internet and =  
PC applications. I didn=BCt even occur to me to petition a government = agency to deal with this threat, I simply did  
my best to figure out a = way to adapt our product and business to this new technology. With = lots of hard work,  
insight, and perseverance, I figured out a way to = use Internet phone software with our wireless controller and  
another = emerging technology, network computers (NC=BCs). Thus, now, we are = able to accelerate low cost  
Internet access to households who can=BCt = afford PCs (NC=BCs are nearly 6 times cheaper than a PC, and will  
be = provided for free by most Internet Service Providers (ISPs)) by = providing low cost long distan!  
ce service as a hook so that these households are not left out of the =  
Internet Age.

Universal Access in an Internet Age should be a very high priority of = this Commission. It is unarguable  
that those with better access to = information will be better prepared to meet life=BCs challenges and = opportunities  
than those who have limited access or no access at all. =  
I believe this is much more serious matter than the Universal Access = debate with cable television companies, in  
that a television show may = entertain you, but it won=BCt necessarily inform you; it may make you = laugh, but it  
won=BCt arm you with the information you need to succeed = in life. With the Internet=BCs vast resources and  
information, which = are growing by leaps and bounds, it is imperative that this Commission = take every opportunity  
available to ensure that these resources and = information are readily accessible to all.

This petition by the ACTA presents such an opportunity, in which the =  
Commission can clearly craft a solution which fosters Universal Access = to the Internet. This solution will also  
allow the Commission to = lower long distance rates for the consumer, encourage technological = advancement and  
competition, and preserve for a future date a thorough = examination of the infrastructure of the Internet and the

FILED  
MAY 15 1996

adequacy of = private efforts to maintain this infrastructure in face of new = technological developments like the Internet phone.

The solution is to permit Internet phone software to develop along = with the pace of development of computers that support it, while = setting a timetable with public hearings on the current state of the = infrastructure of the Internet and the adequacy of private efforts to = maintain such infrastructure. This means allowing computer to computer = voice communications and computer to phone voice communications through = the Internet, but prohibiting phone to phone voice communications over = the Internet until specific findings have been made concerning the = Internet=BCs infrastructure.

This solution accomplishes the primary goals of the Commission, while = at least acknowledging what I believe the petitioners only valid claim, = that the infrastructure of the Internet may be inadequate to support = phone to phone voice communications over the Internet. Computer to = computer or computer to phone communications is essentially what is = occurring now from a bandwidth standpoint (there are a lot of faxes = from computer to phone now), and is unlikely to overload the Internet = anytime soon and therefore should be permitted to continue. You also = get around this tariff argument by the petitioners in that as long as a = computer (PC or NC) is being used by at least one of the parties to the = communication, then no free-riding can occur because the Internet = Service Provider of the computer user is already paying a tariff to the = carriers as part of its fee arrangement with them.

More importantly, this solution fosters Universal Access to the = Internet by those who can not afford it. One of the biggest concerns = facing network computer makers is that even at \$20/month, can people = afford Internet access? With reduced long distance rates that are = linked to Internet service, the answer is yes. With Computer to phone = voice communications a family of four that spends \$45/month on long = distance service will see that cut by 60%, which enables them to afford = Internet access using an NC box and a standard television (the NC box = will be provided for free by the Internet Service Provider).

As for the ACTA, I believe this Commission should send them a very = strong message. That message is that this Commission will almost = always favor consumer interests in matters where one group of stagnant = businesses are unable to keep up with the far greater number of = innovative growing companies. This position is not only pro-consumer, = it is pro-growth, and pro-technology. The only one who loses from such = a position are the businesses that can=BCt compete and that add very = little value to the competitive marketplace. Sending such a strong = message may persuade such members of our business community to = reconsider their business strategy in terms of the opportunities that = are available to them rather than what competitor they can stop through = the use of government force. Otherwise, these sort of petitions may = get out of hand, in which every business who is losing in a competitive = market will attempt to cover-up their failure by hiding behind = government rather than doing the ! hard work that innovation requires.

Matthew P. Bowin  
President &CEO of IPS

---

Server protocol: HTTP/1.0  
Remote host: ejohnson.ips.com  
Remote IP address: 205.179.101.98